



7020-02

INTERNATIONAL TRADE COMMISSION

Investigation No. 337-TA-841

Certain Computer and Computer Peripheral Devices, and Components Thereof, and Products Containing Same

Commission Decision to Review an Initial Determination; Schedule for Filing Written Submissions Including Remedy, the Public Interest, and Bonding

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review in the entirety the final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”) on August 2, 2013, finding a violation of section 337 of the Tariff Act of 1930, 19 U.S.C. § 1337, in this investigation.

FOR FURTHER INFORMATION CONTACT: Sidney A. Rosenzweig, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 708-2532. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, S.W., Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>. Hearing-impaired persons are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on May 2, 2012, based on a complaint filed by Technology Properties Limited, LLC (“TPL”) of Cupertino, California. 77 *Fed. Reg.* 26041 (May 2, 2012). The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337, by reason of infringement of certain claims of U.S. Patent Nos. 6,976,623 (“the ’623 patent”), 7,162,549 (“the ’549 patent”), 7,295,443 (“the ’443 patent”), 7,522,424 (“the ’424 patent”), 6,438,638 (“the ’638 patent”), and 7,719,847 (“the ’847 patent”). The complaint further alleges the existence of a domestic industry. The notice of investigation named twenty-one respondents, some of whom have since settled from the investigation. As a result of these settlements, the ’638 patent is no longer at issue, as it has not been asserted against the remaining respondents. The remaining respondents are Acer Inc. of New Taipei City, Taiwan (“Acer”); Canon Inc. of Toyko, Japan; Hewlett-Packard Company of Palo Alto, California (“HP”); HiTi Digital, Inc. of New Taipei City, Taiwan; Kingston Technology Company, Inc. of Fountain Valley, California (“Kingston”); Newegg, Inc. and Rosewill Inc., both of City of Industry, California (“Newegg/Rosewill”); and Seiko Epson Corporation of Nagano, Japan.

On October 4, 2012, the ALJ issued a *Markman* order construing disputed claim terms of the asserted patents. Order No. 23. On January 7-11, 2013, the ALJ conducted a hearing, and on August 2, 2013, the ALJ issued the final ID. The ALJ found that TPL demonstrated the existence of a domestic industry, as required by 19 U.S.C. § 1337(a)(2), through TPL’s licensing investment under 19 U.S.C. § 1337(a)(3)(C). ID at 152-55. The ALJ rejected TPL’s showing based upon OnSpec Electronic, Inc.’s research and development, and engineering investments for section 337(a)(3)(C), as well as subsections (a)(3)(A) and (a)(3)(B). *Id.* at 155-57.

The ALJ found that the respondents had not shown that any of the asserted patent claims are invalid. However, the ALJ found that TPL demonstrated infringement of the '623 patent, and not the other patents. With respect to the '623 patent, the ALJ found that TPL demonstrated direct infringement of the asserted apparatus claims (claims 1-4 and 9-12). Accordingly, the ALJ found a violation of section 337 by Acer, Kingston and Newegg/Rosewill (collectively, "the '623 respondents") as to these apparatus claims of the '623 patent.

On August 19, 2013, the parties filed petitions for review. TPL's petition challenges the ALJ's noninfringement determinations for the '443, '424, and '847 patents. TPL did not petition for review of the ALJ's noninfringement determination for the '549 patent. The '623 respondents challenge one of the ALJ's claim constructions, and independently challenge the ALJ's finding that the asserted claims of the '623 patent are not anticipated by, or obvious in view of, three pieces of prior art. The '623 respondents also challenge the ALJ's finding that TPL demonstrated the existence of a domestic industry, and subscribe to the analysis presented by the respondents against whom the '623 patent was not asserted.

The respondents against whom the '623 patent was not asserted contingently challenge TPL's evidence of expenditures, as well as the nexus between those expenditures and the asserted patents, for purposes of showing a domestic industry under section 337(a)(3)(C). They also argue that "[t]here is no evidence that TPL's licensees' efforts relate to 'an article protected by' any of the asserted patents." Resp'ts' Pet. 42, 54-56. The respondents against whom the '623 patent was not asserted also argue that the four patents asserted against them are invalid as anticipated or obvious in view of the prior art. They also make additional non-infringement

arguments for the three patents asserted against them for which TPL has petitioned for review (the '443, '424 and '847 patents).

Respondent HP filed a short petition for review on its own behalf. HP argues for a narrow interpretation of articles “protected by” an asserted patent. HP Pet. 5.

On August 27, 2013, the parties filed responses to each other’s petitions.

Having examined the record of this investigation, including the ALJ’s final ID, the petitions for review, and the responses thereto, the Commission has determined to review the ID in its entirety.

In connection with the Commission’s review, the parties are asked to brief only the issues enumerated below. *See* 19 C.F.R. § 210.43(b)(2).

- (1) Discuss, in light of the statutory language, legislative history, the Commission’s prior decisions, and relevant court decisions, including *InterDigital Communications, LLC v. ITC*, 690 F.3d 1318 (Fed. Cir. 2012), 707 F.3d 1295 (Fed. Cir. 2013) and *Microsoft Corp. v. ITC*, Nos. 2012-1445 & -1535, 2013 WL 5479876 (Fed. Cir. Oct. 3, 2013), whether establishing a domestic industry based on licensing under 19 U.S.C. § 1337(a)(3)(C) requires proof of “articles protected by the patent” (*i.e.*, a technical prong). If so, please identify and describe the evidence in the record that establishes articles protected by the asserted patents.
- (2) Discuss the construction of “accessible in parallel” in view of the prosecution history of the '623 patent (including the Examiner’s Statement of Reasons for Allowance, *see*

Salazar v. Proctor & Gamble Co., 414 F.3d 1342, 1347 (Fed. Cir. 2005)), and whether the asserted patent claims are infringed and not invalid based upon that construction. Invalidity arguments not dependent on that claim construction should not be briefed.

- (3) Comment on whether the respondents' invalidity evidence and analysis as to the Pro II system, the Uno Mas article, the Kaneshiro patent, and the '928 Publication, and TPL's evidence and analysis as to the technical prong of the domestic industry requirement, were undisputed. Please cite all evidence in the record that supports your position.
- (4) Discuss whether TPL demonstrated that the products accused of infringing the '443, '424, and '847 patents receive or interface with SD cards that operate in a four-bit-bus mode, and if so, whether the accused products infringe the asserted claims.
- (5) If the Commission were to find that the accused products infringe the '443, '424, and '847 patents, discuss whether the SD specification invalidates the asserted claims of those patents.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue one or more cease and desist orders that could result in the respondent(s) being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an

article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843, Comm'n Op. (December 1994).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or cease and desist orders would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation.

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. See Presidential Memorandum of July 21, 2005, 70 *Fed. Reg.* 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions as set forth above. Parties to the investigation, interested government agencies, and

any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding. The complainants are also requested to submit proposed remedial orders for the Commission's consideration. The complainants are also requested to state the date that the asserted patents expire and the HTSUS numbers under which the accused products are imported. The written submissions and proposed remedial orders must be filed no later than close of business on Thursday, November 7, 2013 and responses to the Commission's questions should not exceed 75 pages. Reply submissions must be filed no later than the close of business on Friday, November 15, 2013, and such replies should not exceed 50 pages. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit 8 true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of Practice and Procedure (19 C.F.R. 210.4(f)). Submissions should refer to the investigation number ("Inv. No. 337-TA-841") in a prominent place on the cover page and/or the first page. (See Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.pdf). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission

and must include a full statement of the reasons why the Commission should grant such treatment. *See* 19 C.F.R. § 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. A redacted non-confidential version of the document must also be filed simultaneously with the any confidential filing. All non-confidential written submissions will be available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. § 1337), and in sections 210.42-46 of the Commission's Rules of Practice and Procedure (19 C.F.R. §§ 210.42-46).

By order of the Commission.

Lisa R. Barton
Acting Secretary to the Commission

Issued: October 24, 2013

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